

QUINCY COLUMBIA BASIN IRRIGATION DISTRICT
Grant County, Washington
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. The Quincy Columbia Basin Irrigation District Should Recognize Expenses In The Period Incurred

We reviewed 20 vouchers paid in January 1995 to determine if the district was accruing accounts payable. Out of the 20 vouchers reviewed, 12 vouchers should have been expensed during the 1994 fiscal year. We estimate that the district has not accrued \$130,000 of its 1994 expenditures.

RCW 43.09.230 states in part:

The state auditor shall require from every taxing district and other political subdivisions financial reports covering the full period of each fiscal year, in accordance with the forms and methods prescribed by the state auditor, which shall be uniform for all accounts of the same class.

The State Auditor's Office, Audit Services, issued Bulletin No. 401 which sets forth prescribed accounting rules for proprietary type enterprises in accordance with generally accepted accounting principals.

Bulletin No. 401, Section I, 8, b states in part:

Revenues and expenses should be recognized on the accrual basis . . .
expenses should be recognized in the period incurred, if measureable.

As disclosed in Note 1a to the district's financial statements, the district believes that not recognizing these payables more fairly represents district expenditures.

The district's financial reports are misleading because accounts payable are not reported on the accrual basis of accounting and expenditures are not reported in the proper budget year.

We recommend that the district use the full accrual basis of accounting as prescribed by generally accepted accounting principles and the State Auditor.